

THIRD AVENUE BELOW 50.

KEENE AND LAUTERBACH SAID TO HAVE HAD A COLLISION.

The Plans Are to Provide Funds by Selling Receiver's Certificates, Not by Asking the Stockholders to Make a Test of the Board's Honest Earning Power.

Third Avenue Railroad stock lost 8 points yesterday on the Stock Exchange, touching 40% at the lowest, after opening sales a 28¢.

At the bottom price more than 30,000 shares changed hands. The last sale was at 50, and total sales were 41,622 shares. The decline was attributed to rumors of a heavy assessment on the stock to complete the work of improvement under way.

"A call" is a contingent agreement to sell stocks at a certain price if the holder of the agreement calls for them. The law taxes a sale of stocks or an agreement to sell at the rate of two cents per \$100 par value of the stocks.

The transaction, evidenced by the memorandum submitted, "said Judge LaCombe, 'is not a sale' or a 'contract of sale' nor an agreement of sale. If some one entitled to have a call option would like to sell, he can buy the offered stock at the price named, then by a new contract then first made, a sale is effected."

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The plan of the interests immediately concerned in this direction of the road, however, is that the receiver shall complete the extensions and improvements projected, the necessary funds to be obtained by the issue of receiver's certificates. The plan contemplates the issue of the certificates in sufficient amount to take care also of the mechanics bills, leaving the note creditors of the company to hold its paper. The receiver's certificates must be issued under the Court's order and supervision and sold at par. They are under the protection of the Court, and become a first lien on the property. It is known that they could be placed at par, and according to the usual procedure the entire issue would be underwritten by bankers approved by the Court. Kuhn, Loeb & Co. having made an exhaustive examination of the condition of the road and of the company's affairs and members of the firm having been taken into the councils of the Creditors' Protective Committee, the inference is drawn in Wall Street that that firm will, perhaps with associates, underwrite the certificates. It is expected that the report of the experts who made the investigation will be universally approved by Wall Street men."

Until the receiver's certificate of the affairs of the company is completed no formal plan can be made.

The plan outlined above would not be carried out until the appointment of a permanent receiver. It is expected that Mr. Grant will be made receiver on March 1, and that the matter come again before Judge LaCombe.

The idea in adopting the plan suggested is to show the true earning capacity of the road and to place it in a position to obtain control and thus to furnish a basis for an intelligent organization. The Creditors' Protective Committee, and the bankers, are in agreement yesterday on the first mortgage 9 per cent. bonds of the Forty-second street road would be purchased for the committee's account.

Mr. Keene now generally understands that James B. Keene's associates in his Third Avenue deal, if not Mr. Keene himself, suffered severe losses, and as a result of the drop in the price of the stock. Several of the associates are understood to have been crippled financially so seriously that the work of repairing their fortunes will be a long and difficult task.

Mr. Keene himself is said to be the subject of several Wall Street stories. Some of these stories are to the effect that, notwithstanding the big losses of his associates, he may still be in receipt of a portion of the money he had in his care at the time of his fall, which was locked up in his safe. He sold short enough stock to which he covered at lower figures, to average the loss to him, and then turned around and turned an actual profit. Mr. Keene is not communicating so far as the public is concerned about how matters stand. He is believed to have sold his interest in the bank, and it is syndicated that he had acquired an interest in the company with the view of obtaining a club which would stand across the river and be effectively upon the Manhattan Street side of the river.

Edward Lauterbach, which he suggested that he had introduced Mr. Keene into Third Avenue, died, was last reported in New York, and it is believed that he was a partner in the firm of Edward Lauterbach & Co., which disturbed him very much.

It was said yesterday that there might be some opposition to the appointment of Mr. Keene as receiver, but that he would be given a vice-chairman permanent commission even if he came up before Judge LaCombe, some creditors desiring to have the receiver appointed to the Michigan Central roads toward the agreement that the receiver would fail. Each of the two roads had refused to obey section 4, requiring that full proportion of standard fare should be paid to the passenger whom the receiver, at least before an examination of the company's affairs makes him similar with the actual conditions prevailing in it.

These mechanics, signs against the Third Avenue, and in particular the financial system of its system were filed yesterday. By the National Conduit and Cable Company of Hastings against the Forty-second Street, St. Nicholas Avenue and Third Avenue, and the Michigan Central.

It is further said that in addition to that it was simply accepting passenger rates that it had tendered to its Western connections.

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NO STAMP TAX ON "CALLS."

S. V. WHITE WINS A CASE OF INTEREST TO DEALERS IN STOCK PRIVILEGES.

Judge LaCombe of the United States Circuit Court, in a decision given yesterday, that there is no stamp duty on the sale of "calls" on stocks. The case was a suit by Stephen V. White against Collector Treat to recover \$904 paid for revenue stamps after Mr. White had for a long time refused to affix stamps to memos of calls. To make the test Mr. White paid the money in a lump, demanded it back, didn't get it and sued for it. Being a lawyer as well as a stock operator, he argued the case for himself. No appeal will be taken unless Attorney-General Griggs decides to the contrary.

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Justice Furman of the Supreme Court has appointed Frank N. Barnum foreman of the Special Grand Jury to act in place of E. W. Bloomfield who was ill. The Special Grand Jury will not be called to meet until next week.

After a meeting of the general passenger agents of the trunk lines and their connections yesterday it was learned that the chief subject that it has been expected would come up for discussion had already been settled at a meeting of the Presidents of the trunk lines on Wednesday when they formally approved the new joint passenger rate agreement. The attitude of the Lake Shore and Michigan Central roads toward the agreement was that the road put into a condition of involuntary bankruptcy.

Mr. Grant went to the office of the company every yesterday and took hold of the task before him. He will make further inquiry of the management of the roads over whom he continued temporarily as officers under the receiver, at least before an examination of the company's affairs makes him similar with the actual conditions prevailing in it.

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